

## **The Influence of Store Atmosphere on Purchasing Decisions and Customer Satisfaction: A Case Study at the Pacific Restaurant, Blitar**

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### **ABSTRACT**

This study aims to analyze the effect of store atmosphere on purchasing decisions, the effect of store atmosphere on customer satisfaction, and the effect of purchasing decisions on customer satisfaction. This is a quantitative descriptive research conducted in Pacific Restaurant, Blitar. The population of this study is 100 as the respondents chosen by purposive sampling techniques. The data were analyzed with path analysis. The finds that: (1) There is a significant effect between store atmosphere on purchasing decisions; (2) There is a significant effect between store atmosphere on customer satisfaction; and (3) Purchasing decisions have a significant effect on customer satisfaction.

**Keywords:** Customer Satisfaction, Purchasing Decisions, Restaurants, Store Atmosphere

### **INTRODUCTION**

Store atmosphere is another mainstay weapon stores have. Each of them has a display and physical layout creating buyer's convenience to browse around. They need to create a well planned and organized atmosphere attracting consumers in conformity with their target market. For instance, a dance club should be bright, loud, and upbeat. Luxury department stores could spray perfume in certain rooms.

Purchasing decisions are the actions of consumers to buy a product or not. Various factors occupy roles in manipulating their behavior to purchase a product or service. Consumers consistently consider quality, price and best-known products. Before deciding to buy, they mostly go through several stages including problem recognition, information search, alternative evaluation, final decision, and post-purchase behavior (Kotler, 2015).

Those lead to a conclusion that a purchase decision is a consumer action to purchase a product by selecting one of several alternative solutions with real follow-ups. Then, they evaluate the choice before determining an attitude to take.

Consumer satisfaction has become a central concept in marketing theory and practice. It is one of the essential goals for business activities. It is considered to be a major role in product quality. Therefore, consumers play decisive role in measuring satisfaction with the goods and services.

Satisfaction is a feeling of pleasure or disappointment that arises from comparing the product's perceived performance (results) against their expectations (Kotler, & Armstrong, 2018). When consumer expectations fail to satisfy, they will be dissatisfied. If the expectations are realized, they will be satisfied. If the product exceeds their expectations, they will be contented. Company performance is influential on customer satisfaction. It is an inseparable part of a company management.

The research conducted by Putri (2014) argues that store atmosphere has a significant effect on purchasing decisions. It has no significant effect on customer satisfaction variables, while purchasing decision variables has a significant effect on customer satisfaction. Nurdiansyah (2014) suggests that store atmosphere has an influence on purchasing decisions. However, research conducted by Tendean (2016) finds that there is a significant effect, both partially and simultaneously, of store atmosphere on customer satisfaction variables. This gap research motivates the author to conduct this research.

Store atmosphere is a well-planned combination of physical messages as a change in the design of the purchasing environment with special emotional effects leading consumers to purchase (Gilbert in Foster, 2012). Conclusively, store atmosphere aims to attract consumers' attention to visit. It creates convenience to find the items they need, keeps them in the room for a long time, motivates them to make sudden plans, and provides them satisfaction. A well-executed store atmosphere brings a positive effect on consumer purchasing decisions. This in line with research conducted by Nurdiansyah, and Reza (2014) and Putri (2014) suggesting that there is an effect of store atmosphere on purchasing decisions.

Levy and Weitz (2011) states that store atmosphere aims to attract consumers' attention to visit, make it easier to find the items needed, keep them in the cafe for a long time, motivate to make sudden planning, influence to make purchases, and provide satisfaction in shopping. This is consistent with Alfin (2017) stating that store atmosphere has an effect on customer satisfaction.

Kotler and Keller (2012) contends that purchasing decisions consist of five stages, including problem recognition, information retrieval, alternative evaluation, purchase decisions, and post-purchase behavior. Post-purchase behavior includes post-purchase satisfaction, use, and post-purchase exclusion. These theories support the results of this study suggesting that the purchase decision affects customer satisfaction as a post-purchase. The purchase decision is the stage that determines whether the buyer will buy back or not. Customer satisfaction is a company primary goal since it could create repeated purchases. This is inline with research conducted by Putri (2014) contending that purchasing decisions have an effect on customer satisfaction.

### **Research Objectives**

This syudy aims to: (1) Analyze the effect of store atmosphere on purchasing decisions; (2) Analyze the effect of store atmosphere on customer satisfaction; and (3) Analyze the effect of purchasing decisions on customer satisfaction.

### **RESEARCH METHOD**

This is a descriptive quantitative research. It aims to explain the existing phenomena by using numbers to compare individual or group characteristics. This study assesses the nature of the visible conditions. This study was deliberately limited to describe the

characteristics of objects as they were. The study was conducted to determine the effect of store atmosphere on purchasing decisions and customer satisfaction at the Pacific Restaurant in Blitar City.

According to Sugiyono (2017) population is a generalization of subjects or objects with certain qualities and characters that are determined by researchers to study and to draw conclusions. It has similarities in various objects that form the main problem in a research. Thus, the researcher determined the population of this study were the consumers of Pacific Restaurant in Blitar City.

This study used purposive sampling technique. This technique is one of the purposive sampling techniques. The researcher determined the samples to take (Singgih & Tjiptono, 2016) under the criteria of at least 17 years old and had already made purchases at least 3 times, as they presumably have an understanding related to the responses in the questionnaires. Sugiyono (2017) states that sample is part of the number and characteristics possessed by the population. For energy, time and cost efficiency, this study included 100 respondents as the sample. Fraenkel & Wallen in Widayat (2014) suggest that the minimum sample size for descriptive research is 100 respondents considered to have met the preset criteria.

The data were quantitative. Quantitative data emphasizes numerical data (numbers) processed by statistical methods (Azwar, 2015). The data source to examine is primary data. Primary data refers to first-hand information obtained by researchers relating to variables of interest for specific purposes of study. The primary data sources are individual respondents obtained from the direct questionnaire distribution. They are consumers of the Pacific Restaurant in Blitar City. The data were collected using questionnaires, containing a set of questions to obtain responses about the phenomena, the effect of store atmosphere on purchasing decisions and customer satisfaction at the Pacific Restaurant in Blitar City. The data analysis technique used in this study is path analysis. Path analysis is a form of application of multiple regression with a path diagram as a guide to complex hypothesis testing.

## RESULTS AND DISCUSSION

### The Effect of Store Atmosphere on Purchasing Decisions at the Pacific Restaurant in Blitar City

Table 1 below shows the effect of store atmosphere on purchasing decisions at the Pacific Restaurant in Blitar City.

**Table 1: Path Coefficient Test Results of Store Atmosphere Effect on Purchasing Decisions**

Exogenous Variables	Endogenous Variables	Beta	t	Probability	Decisions
Store Atmosphere	Purchase Decision	0.674	9,026	0.000	Significant
The Coefficient of Determination ( $R^2$ ): 0.454 = 45.4%					
N = 100					

Sources: Processed Primary data (2020)

The effect of store atmosphere on purchasing decisions with beta coefficient of 0.674,  $t_{\text{value}}$  is 9,026 and the probability is 0,000 ( $p < 0.05$ ). Since the probability shown in Table 1 is less than 0.5,  $H_0$  (the significant influence between store atmosphere on purchasing decisions at the Pacific Restaurant in Blitar City) is rejected. This result is derived from the determination coefficient value of 0.454 implying that there is a significant effect of store atmosphere on purchasing decisions at the Pacific Restaurant in Blitar City with a contribution by 45.4% and a direct effect of 0.674. It leads to a conclusion that better store atmosphere and the owner's efforts to support government policies to prevent the transmission of the (Covid-19), purchasing decisions at the Pacific Restaurant in Blitar City will increase.

### **The Influence of Store Atmosphere on Customer Satisfaction at the Pacific Restaurant in Blitar City**

The results of testing the effect of store atmosphere on customer satisfaction at the Pacific Restaurant in Blitar City is shown in Table 2.

**Table 2: Path Coefficient Test Results of Store Atmosphere Effect on Customer Satisfaction**

<b>Exogenous Variables</b>	<b>Endogenous Variables</b>	<b>Beta</b>	<b>T</b>	<b>Probability</b>	<b>Decisions</b>
Store Atmosphere	Satisfaction	0.452	5,010	0.000	Significant
<b>Determination Coefficient (<math>R^2</math>): 0.204 = 20.4%</b>					
<b>N=100</b>					

Sources: Processed Primary Data (2020)

The effect of store atmosphere on customer satisfaction at the Pacific Restaurant in Blitar City with a beta coefficient of 0.452,  $t_{\text{value}}$  of 5.010 and a probability of 0.000 ( $p < 0.05$ ). Since the probability shown in Table 2 is less than 0.5,  $H_0$  (the significant influence between store atmosphere on customer satisfaction at the Pacific Restaurant in Blitar City) is rejected. This result was derived from the determination coefficient value of 0.204. This implies that there is a significant effect of store atmosphere on customer satisfaction at the Pacific Restaurant in Blitar City with a contribution by 20.4% and a direct effect of 0.452. This direct influence can be interpreted that with an increase or better store atmosphere, the satisfaction will increase. It leads to a conclusion that better atmosphere and the owner's efforts to support government policies to prevent the transmission of the Corona Virus (Covid-19), customer satisfaction at the Pacific Restaurant in Blitar City will increase.

### **The Effect of Purchasing Decisions on Customer Satisfaction of the Pacific Restaurant in Blitar City**

The results of testing the effect of purchasing decisions on customer satisfaction of the Pacific Restaurant in Blitar City is shown in Table 3.

**Table 3: Test Results of Purchasing Decision Effect on Customer Satisfaction**

Exogenous Variables	Endogenous Variables	Beta	t	Probability	Decisions
Purchase Decision	Customer Satisfaction	0.271	2,783	0.006	Significant
<b>Determination Coefficient (R<sup>2</sup>): 0.073 = 7.3%</b>					
<b>N = 100</b>					

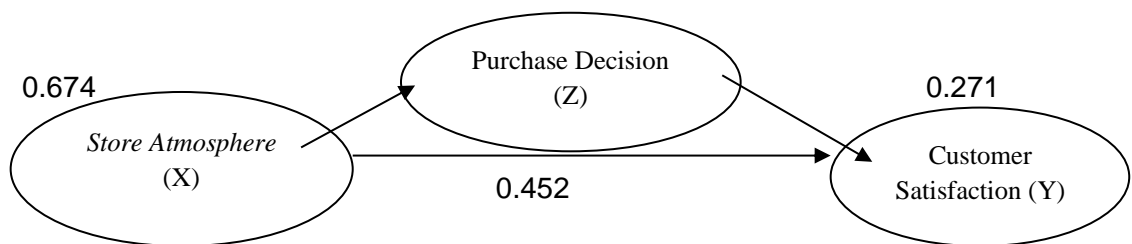
Sources: Processed Primary Data (2020)

The effect of purchasing decisions on customer satisfaction of Pacific Restaurant in Blitar City with a beta coefficient of 0.271,  $t_{value}$  is 2.783 and the probability is 0.006 ( $p < 0.05$ ). Since the probability shown in Table 3 is less than 0.5,  $H_0$  (the significant effect between purchasing decisions on customer satisfaction at the Pacific Restaurant in Blitar City) is rejected. This result was derived from the determination coefficient value of 0.073. This implies that there is a significant effect of purchasing decisions on customer satisfaction at the Pacific Restaurant in Blitar City with a contribution by 7.3% and a direct effect of 0.271. It concludes that the customers' increasing purchasing decisions, customer satisfaction at the Pacific Restaurant in Blitar City will increase.

**Inter-Path Relations**

The data analysis produces paths as shown in Figure 1 below.

**Figure 1 Inter-Path Analysis Results**



Sources: Processed Primary Data (2020)

The results of the analysis show that the direct influence between store atmosphere on purchasing decisions is 0.674 and the direct effect of store atmosphere on customer satisfaction is 0.452. The direct influence indicates that better store atmosphere will increase purchasing decisions and customer satisfaction. The results of the direct influence analysis show that the purchasing decision on customer satisfaction of the Pacific Restaurant in Blitar City is 0.271. The direct effect, indirect effect and total effect among the research variables have been summarized in the following table:

**Table 4: Recapitulation of Direct, Indirect and Total Effect**

Variable	Endogenous Variable	Direct Effect	Indirect Effect	Total Effect	t	Sig.	Kep.
Store Atmosphere	Purchase Decision	0.674	0	0.674	9,026	0.000	Significant
Purchase Decision	Customer Satisfaction	0.271	0	0.271	2.783	0.006	Significant
Store Atmosphere	Customer Satisfaction	0.452	(0.674x0.271) =0.183	0.635	5.010	0.000	Significant
<b>N = 100</b>							

Sources: Processed Primary Data (2020)

$$Y_2 = PY_2X + (PY_1X \times PY_2Y_1)$$

Direct Effect of store atmosphere on customer satisfaction at Pacific Restaurant Blitar City is 0.452.

$$\text{Indirect Effect (IE)} = PY_1X \times PY_2Y_1$$

$$= 0.674 \times 0.271$$

$$= 0.183$$

$$\text{Total Effect} = PY_2X + (PY_1X \times PY_2Y_1)$$

$$= 0.452 + 0.183$$

$$= 0.635$$

This calculation shows that the purchasing decision is proven as an intervening variable in the relationship between the store atmosphere and customer satisfaction. The calculation shows that the total effect is greater than the direct effect. This is evident through the calculation of Direct Effect (IE) of 0.452, while the store atmosphere has an effect on customer satisfaction through a purchase decision by 0.635.

### Model Accuracy

The accuracy of the hypothetical model is measured with determination coefficient ( $R^2$ ) on both equations. The results of the model are:

$$R^2 = 1 - (1 - R_1^2) (1 - R_2^2)$$

$$= 1 - (1 - 0,454) (1 - 0,204)$$

$$= 1 - (0.546) (0.796)$$

$$= 1 - 0,434$$

$$= 0.565 \text{ or } 56.5\%$$

The calculation of the model accuracy of 56.5% explain that the contribution of the model to explain the structural relationship of the three variables is 56.5%. While the remaining 43.5% is explained by other variables unavailable in this research model.

### The Effect of Store Atmosphere on Purchasing Decisions

The results of the analysis exhibit that there is a significant influence between store atmosphere on purchasing decisions. This means that better store atmosphere increases the purchase decision. Efforts to make are to brighten the restaurant logo, provide safety assurance of parked vehicles, keep the cleanliness maintained, organize the tables and chairs in accordance with health protocols, and provide handwashers and hand sanitizers.

According to Levy and Weitz (2007), store atmosphere aims to attract consumers' attention to visit, make it easier to find the items needed, motivate them to make sudden plans, influence them to make purchases, and provide satisfaction in shopping. Thus, it concludes that well-produced store atmosphere brings a positive influence on consumer purchasing decisions. Store atmosphere constitutes elements to build ideal restaurant atmosphere. Berman & Evan (2010) divides atmospheric elements in a restaurant into four keys, including exterior, general interior, store layout, and interior displays. The combination of those atmospheric elements creates a unique and attractive restaurant atmosphere allowing consumers to feel comfortable and happy to linger in and make a purchase. In addition, the increase in purchasing decisions is influenced by the owner's efforts to keep paying attention to government policies in preventing the spread of the Corona Virus.

### **The Effect of Store Atmosphere on Customer Satisfaction**

The results of the analysis exhibit that there is a significant influence between store atmosphere on customer satisfaction. This means that better store atmosphere increases customer satisfaction.

Comfortable store atmosphere leads to customer satisfaction. It makes customers feel right at home. This leads them to make repeated purchases. Customer satisfaction is created after customer purchase and their expectations are fulfilled. Kotler and Andreasen (2012) state that customer satisfaction is the level of a person's feelings after comparing the performance of the product they feel against their expectations. Optimal service through a comfortable restaurant atmosphere will provide satisfaction to consumers. If consumers are satisfied, they are likely to repeat the purchase. This creates customer satisfaction buying more than once.

The consumer satisfaction is inseparable from the owner's efforts to support government programs in preventing the spread of the Corona Virus. This effort is shown by requiring employees to wear masks and gloves in providing services and performing social distancing by adjusting table spacing in the restaurant.

### **The Effect of Purchasing Decisions on Satisfaction**

The results of the analysis exhibit that there is a significant influence between purchasing decision on customer satisfaction. It means that the customers' increasing purchasing decisions, customer satisfaction at the Pacific Restaurant in Blitar City will be increasingly derived.

The results of this study indicate that the purchasing decision variable with the purchase decision structure indicator has an effect on customer satisfaction. This is due to the continuation of the purchase decision to the post-purchase relationship. Kotler and Keller (2012) state that purchasing decisions consist of five stages, including problem recognition, information retrieval, alternative evaluation, purchase decisions, and post-purchase behavior. Post-purchase behavior includes post-purchase satisfaction, use, and post-purchase exclusion. This supports the results of this study suggesting that the purchase decision affects customer satisfaction as a post-purchase. The purchase decision is the stage that determines whether the buyer will repeat the purchase or not. Customer satisfaction is a company primary goal since it could create repeated purchases. Increased purchasing decisions are also supported by efforts to prevent the spread of the Corona Virus through various established procedures in providing services to consumers.

The results of this study indicate that store atmosphere has an effect on purchasing decisions. This is due to the store atmosphere is one of the strategies to attract consumer attention and to captivate customers' hearts. This is in line with the theory put forward by Utami (2006: 117) defining that the atmosphere is a combination of physical characteristics that aims to respond to emotional and customer perceptions to influence customer decisions in buying goods. The results of this study support previous research conducted by Ramadhanti (2017) and Jaya (2018) contending that store atmosphere has an effect on purchasing decisions.

This highly indicates that the effect of store atmosphere on customer satisfaction is not significant since customer satisfaction cannot be recognized without making a purchase decision. Through purchasing decisions, customers could enjoy the store atmosphere of the restaurant, then, a sense of satisfaction is generated. The results of this study are consistent with the research conducted by Putri (2014), and Tendean (2018) arguing that store atmosphere has an effect on customer satisfaction. Additionally, the results of the analysis show that purchasing decisions on customer satisfaction variables have a significant effect. These results are consistent with research conducted by Putri (2014), contending that purchasing decisions have an effect on customer satisfaction. Furthermore, the analysis results lead to a conclusion that better store atmosphere and the owner's efforts to support government policies to prevent the transmission of the Corona Virus, increase customer satisfaction.

The results of the analysis show that there is an influence between the store atmosphere on purchasing decisions and customer satisfaction. Based on these results, the owner needs to pay more attention to the condition of the store atmosphere by maintaining the its superiority, adopting and improving consumer suggestion. This is to increase the number of purchases. Excellent atmosphere design affects purchasing decisions and customer satisfaction. In addition, the owner is necessary to keep making the Corona Virus prevention by implementing health protocols in accordance with established provisions.

## **CONCLUSIONS**

The results of the research and discussion lead to the following conclusions: (1) There is a significant influence between the store atmosphere on purchasing decisions at the Pacific Restaurant in Blitar City, implying that better store atmosphere supported by the owner's efforts to prevent the transmission of the Corona Virus (Covid-19), and the new normal application, the purchase decision at the Pacific Restaurant in Blitar City will increase; (2) There is a significant influence between the store atmosphere on customers satisfaction at the Pacific Restaurant in Blitar City, implying that better store atmosphere supported by the owner's efforts to prevent transmission of the Corona Virus and the new normal application, customer satisfaction will increase; (3) Purchasing decisions have a significant effect on customer satisfaction of the Restaurant Pacific City of Blitar, implying that the customers' increasing purchasing decisions, customer satisfaction at the Pacific Restaurant in Blitar City will increase.

Based on the results of the study, the suggestions to put forward are: (1) The restaurant owner needs to further adjust the design of the existing store atmosphere to satisfy consumer need; (2) The restaurant owner is required to implement strict health protocols for both employees and consumers to maximize the Corona Virus prevention.



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